

ORIGINAL

Before the  
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Copyright Royalty Board

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Copyright Royalty Board

In the Matter of )  
)  
)

ADJUSTMENT OF RATES AND TERMS )  
FOR PREEXISTING SUBSCRIPTION )  
SERVICES AND SATELLITE DIGITAL )  
AUDIO RADIO SERVICES )

Docket No. 2006-1 CRB DSTRA

**REDACTION LOG OF SOUNDEXCHANGE, INC.**

**Written Direct Statement and Exhibits**

Witness	Pages, Exhibits	Description
Bronfman, Jr., Edgar	None	
Butson, Sean	None	
Chmielewski, Edward	Page 4, last paragraph, second sentence.	Restricted financial information on Blind Pig's revenues from digital sales.
	Page 5, first full paragraph, second and third sentences.	Restricted financial information on Blind Pig's gross and net revenues.
	Page 6, second full paragraph, second, fourth, and last sentences.	Restricted financial information on Blind Pig's budget.
	Page 7, last paragraph, first and second sentences.	Restricted financial information on Blind Pig's recording budgets.
	Page 8, first paragraph, last sentence.	Restricted financial information Blind Pig's payment structures.
	Page 9, second paragraph, second, sixth, seventh and eighth sentences; last	Restricted financial information on Blind Pig's CD manufacturing costs.

	<p>paragraph, third sentence.</p> <p>Page 10, second full paragraph, fifth, sixth, seventh, and last sentences.</p>	<p>Restricted commercial information on Blind Pig's return percentage for 2005 and through September 2006.</p>
Ciongoli, Charles	<p>Page 3, last paragraph, first sentence.</p> <p>Page 4, first paragraph, first and second sentences; second paragraph, last sentence.</p> <p>Page 4, third paragraph, last sentence, fourth paragraph, first sentence.</p> <p>Page 4, fourth paragraph, second sentence.</p> <p>Page 5, first full paragraph, last sentence; last paragraph, first and second sentences; page 6, first full paragraph, first sentence.</p> <p>Page 5, first full paragraph, last sentence; page 7, last full paragraph, first sentence.</p> <p>Page 7, last full paragraph, last sentence.</p> <p>Page 7, last paragraph, first sentence; page 8, first paragraph, first sentence;</p>	<p>Restricted financial information on UMG's total costs in 2005.</p> <p>Restricted financial information on UMG's external direct costs of sales, including royalty amounts associated with artists and other participants.</p> <p>Restricted financial information on UMG's manufacturing and other variable distribution costs.</p> <p>Restricted financial information on the amount of funds in UMG's inventories as of the end of 2005.</p> <p>Restricted financial information on UMG's marketing expenses for fiscal year 2005.</p> <p>Restricted financial information on UMG's non-recoupable costs and write-offs for 2005.</p> <p>Restricted financial information on UMG's capitalized recording costs and advances for 2005.</p> <p>Restricted financial information on UMG's overhead costs for 2005.</p>

	<p>second paragraph, first sentence; page 9, first paragraph, first sentence; last paragraph, first sentence.</p> <p>Page 8, second paragraph, first sentence.</p> <p>SoundExchange Exhibits 106 DR</p>	<p>Restricted financial information on UMG's third-party marketing expenses in 2005.</p> <p>Restricted financial information on UMG's income and expenses.</p>
Eisenberg, Mark	<p>Page 7, first full paragraph, second and third sentences.</p> <p>Page 10, first paragraph, last sentence.</p> <p>Page 16, subparagraphs (i), (ii); page 17, subparagraph (iii).</p> <p>Page 16, footnote 4, last sentence.</p> <p>Page 17, subparagraphs (a) and (b).</p> <p>Page 18, third paragraph, second and third sentences.</p>	<p>Restricted financial information on SONY BMG's negotiated rates for various digital services.</p> <p>Restricted financial information on SONY BMG's negotiated rates for sound clips.</p> <p>Restricted financial information on SONY BMG's license rates and structures for on-demand subscription services.</p> <p>Restricted financial information on SONY BMG's negotiated rate structures.</p> <p>Restricted financial information on the calculation of SONY BMG's negotiated rates for "tethered" and "portable" subscription offerings.</p> <p>Restricted financial information on SONY BMG's negotiated rates for wireless music services.</p>

	<p>Page 19, first paragraph, first, second, and third full sentences.</p> <p>Page 19, first full paragraph, last sentence.</p> <p>Page 19, last sentence.</p> <p>Page 20, second full paragraph, last sentence; last paragraph; page 21, first sentence, first and second full paragraphs.</p> <p>SoundExchange Exhibits 104 DR and 107 DR.</p>	<p>Restricted financial information on SONY BMG's negotiated rates for wireless full-length audio downloads.</p> <p>Restricted commercial information on video streaming services.</p> <p>Restricted financial information on SONY BMG's negotiated rates and terms for online exhibition rights to its video catalog.</p> <p>Restricted financial and commercial information on SONY BMG's negotiated rates and terms for the permanent audio downloads</p> <p>Restricted negotiated contracts containing commercial and financial information on rates and terms for licensed services.</p>
Griffin, James	None	
Hughes, David	None	
Kenswil, Lawrence	<p>Page 2, second full paragraph, second sentence.</p> <p>Page 6, last paragraph; all of page 7, all of page 8.</p> <p>Page 10, first paragraph, second sentence; second paragraph.</p>	<p>Restricted financial information on UMG's annualized revenues from electronic distribution of recorded music in the U.S. for the first half of 2006.</p> <p>Restricted commercial information on UMG's licensing practices.</p> <p>Restricted commercial and financial information on UMG's license agreements with non-portable services.</p>

	Page 10, last paragraph, last sentence.	Restricted commercial and financial information on UMG's license agreements with portable services.
	Page 11, second paragraph, fourth and fifth sentences.	Restricted commercial and financial information on rates for video agreements in UMG's licenses.
	Page 11, third paragraph, first and second sentences.	Restricted financial information on UMG's negotiated rates for video streaming licenses.
	Page 11, last paragraph, third and fourth sentences; page 12, first and second full sentences.	Restricted financial information on UMG's negotiated rates for permanent audio downloads.
	Page 12, second full paragraph, last sentence.	Restricted financial information on UMG's negotiated rates for downloaded cell phone tones.
	Page 12, last paragraph, second and third sentences.	Restricted financial and commercial information on UMG's negotiated rates and terms for wireless audio downloads.
	SoundExchange Exhibits 105 DR.	Restricted negotiated contract containing financial and commercial information on rates and terms for portable and non-portable subscription services.
Kessler, Barrie	SoundExchange Exhibits 101 DR and 102 DR.	Restricted financial information on payments for copyright royalties that SoundExchange received from licensees, and rates the licensees used to calculate those payments.
Kushner, Michael	Page 4, first full paragraph, last sentence.	Restricted commercial information on Atlantic

		Records' current catalog and new releases.
	Page 4, second full paragraph, first sentence.	Restricted commercial information on Atlantic Records' physical album sales for FY 2006.
	Page 4, second full paragraph, fourth and fifth sentences.	Restricted financial information on Atlantic Records' revenues from digital exploitation.
	Page 5, last full paragraph, last sentence.	Restricted financial information on Atlantic Records' overhead cost for A&R for FY 2006.
	Page 9, first full paragraph, first and second sentences.	Restricted financial information on Atlantic Records' design costs for new releases and on overhead costs for the Art Department.
	Page 10, second full paragraph, first and second sentences.	Restricted financial information on Atlantic Records' marketing costs for its new releases and on overhead costs for the Marketing Department.
	Page 11, third paragraph.	Restricted financial information on Atlantic Records' music video production costs.
	Page 12, last paragraph, second sentence; page 13, first full sentence.	Restricted financial information on Atlantic Records' New Media costs, including overhead costs, for FY 2006.
	Page 16, second full paragraph, sixth, seventh, and eighth sentences.	Restricted financial information on Atlantic Records' catalog sales.

	Page 19, last paragraph, first sentence.	Restricted financial information on Atlantic Records' A&R investment costs for FY 2006.
	Page 19, last paragraph, fifth and sixth sentences.	Restricted financial information on Atlantic Records' A&R costs for certain 2006 and 2003 albums.
	Page 20, second paragraph, first and second sentences, last sentence.	Restricted financial information on Atlantic Records' marketing costs for certain 2006 and 2003 albums, including the costs for music videos for each album.
	Page 21, second paragraph, third and fourth sentences.	Restricted financial information on Atlantic Records' profits from certain 2003 albums and losses from certain 2006 albums.
Navarro, Dan	Page 5, second full paragraph, second sentence.	Restricted financial information on CD manufacturing costs.
Ordovery, Janusz	Page 44, table entries in third, fourth, and fifth columns; first paragraph, last sentence.	Restricted financial information on rates for copyright licenses for digital distribution under recent voluntary agreements between record companies and various service providers.
	Page 46, first paragraph, first and second sentences and footnote 41.	Restricted commercial and financial information on negotiated rates to which sound recording copyright holders and distributors have agreed.
	Page 49, first full paragraph, fifth, sixth, and seventh sentences; page 50, first full paragraph, last sentence.	Restricted financial information on copyright license rates for interactive and non-interactive streaming music video services.

	<p>Page 49, last paragraph, fourth and fifth sentences; page 50, first paragraph (continued from page 49), second sentence; first full paragraph, last sentence.</p>	<p>Restricted financial information on licenses for computer downloads versus wireless cell phone music downloads.</p>
	<p>Page 50, first full paragraph, second, third, and fourth sentences.</p>	<p>Restricted financial information on sound recording copyright rates for portable, interactive webcasting.</p>
	<p>Page 51, table, second, third, and fourth columns; last paragraph, first and third sentences.</p>	<p>Restricted financial information on rates for permanent audio downloads, portable interactive subscriptions and non-portable interactive subscriptions.</p>
	<p>SoundExchange Exhibit 103 DR.</p>	<p>Restricted proprietary report containing financial and commercial information on record company's investment ratings, valuation, stock considerations, and future economic projections.</p>
	<p>SoundExchange Exhibit 108 DR.</p>	<p>Restricted proprietary report containing financial and commercial information on satellite radio providers' investment ratings, valuations, stock considerations, future economic projections, and information on content and pricing.</p>
	<p>SoundExchange Exhibit 109 DR.</p>	<p>Restricted proprietary report containing financial and commercial information on cable programming costs, revenues, content, and economic performance.</p>
	<p>SoundExchange Exhibit 110</p>	<p>Restricted proprietary report</p>



	DR.	containing financial and commercial information on cable and satellite television revenue and subscriber growth, investment ratings, valuation, and projected earnings.
Pelcovits, Michael	SoundExchange Exhibit 103 DR.	Restricted proprietary report containing financial and commercial information on record company's investment ratings, valuation, stock considerations, and future economic projections.
Renshaw, Simon	None	
Wind, Yoram (Jerry)	None	


**Designated Testimony**

<b>Witness</b>	<b>Pages, Exhibits</b>	<b>Description</b>
Pelcovits, Michael	<p><b>Designated prior written testimony in Volume 4:</b></p> <p>Page 18, line 5; Page 22, lines 6 to 20; Page 23, lines 2 to 4, footnote 11; Page 24, line 30; Page 28, lines 4 to 6, 8, 9, 13, 14, 18 to 21, 24; Page 29, lines 9 to 20; Page 30, lines 1 to 8; Page 31, lines 3 to 5; Page 36, line 13; Page 37, lines 1, 2, footnote 15; Page 41, lines 15, 17, 23; Page 42, line 15; Page 43, lines 7, 8, 11 to 20; Page 44, lines 3 to 5, 19 to 22; Page 45, lines 1, 2, 4, 15 to 17; Page 46, lines 2, 4, 5; Page 52, lines 13, 14; Page 53, lines 8, 9; Page 57, lines 16 to 24; Page 58, lines 1 to 6; Page 59, lines 1 to 3, 13, 16; Page 62, lines 5, 6; Page 63, lines 6 to 30, footnote 26</p> <p><b>Designated prior oral</b></p>	Restricted financial and commercial information on rates and terms of agreements from the four major record companies for use of their sound recordings

	<b>testimony in Volume 4:</b>	
	May 15, 2006 trial transcript	Session was closed by the Court to the public per the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	May 16, 2006 trial transcript	Session was closed by the Court to the public per the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	<b>Designated prior exhibits in Volume 5:</b>	
	Services Ex. 60	Exhibit was admitted into evidence under the Protective Order in effect in Docket No. 2005-1 CRB DTRA
Kessler, Barrie	<b>Designated prior written testimony in Volume 6:</b>	
	None	
	<b>Designated prior oral testimony in Volume 6:</b>	
	June 8, 2006 trial transcript	Session was closed by the Court to the public per the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	<b>Designated exhibits to prior written testimony in Volume 7:</b>	
	None	
	<b>Designated exhibits to prior oral testimony in Volume 7:</b>	
	Services Ex. 98	Exhibit was admitted into

		evidence under the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	Services Ex. 154	Exhibit was admitted into evidence under the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	Services Ex. 155	Exhibit was admitted into evidence under the Protective Order in effect in Docket No. 2005-1 CRB DTRA
	Services Ex. 157	Exhibit was admitted into evidence under the Protective Order in effect in Docket No. 2005-1 CRB DTRA

Respectfully submitted,

By 

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January 17, 2007

## CERTIFICATE OF SERVICE

I, Michael B. DeSanctis, hereby certify that a copy of the foregoing **Redaction Log of SoundExchange, Inc.** has been served this 17th day of January, 2007 by electronic mail and by overnight mail to the following persons:

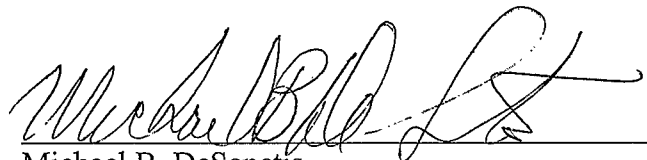
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